

A U S T I N C I T Y C O U N C I L

AGENDA

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Thursday, August 10, 2006

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Regular Item
RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 5

Subject: Approve the negotiation and execution of a loan to COMMUNITY PARTNERSHIP FOR THE HOMELESS, INC., Austin, Texas, under the Rental Housing Development Assistance Program in an amount not to exceed \$123,163, in compliance with applicable federal regulations including the Code of Federal Regulations Title 14 Section 85.40 performance goals to assist in the rehabilitation of four units of transitional housing for very low-income homeless military veterans.

Amount and Source of Funding: Funding is available in the Fiscal Year 2005-2006 Austin Housing Finance Corporation budget under the Rental Housing Development Assistance Program. It is anticipated the transaction will be funded with HOME Investment Partnership Act Program funds.

Additional Backup Material

(click to open)

 **Attachment 1**

For More Information: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108.

This action approves the negotiation and execution of a Rental Housing Development Assistance Program loan to Community Partnership for the Homeless, Inc. (CPH), in an amount not to exceed \$123,163, to assist in the rehabilitation of four units of transitional housing for very low-income homeless military veterans located at 2505 Village Trail Circle, 5406 Village Train, 2407 South 4th Street, and 7605 Elderberry.

A loan will be negotiated and executed with CPH in an amount not to exceed \$123,163 for a term of 20 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis for the duration of the 20-year period. Principal and interest will be forgiven at the end of the loan term contingent upon compliance with the loan agreement.

CPH's transitional housing program consists of single-family homes located at scattered sites in East and South Austin neighborhoods. The four properties indicated above comprise a total of 15 bedrooms that serve homeless veterans participating in the program. Each client is provided a private bedroom and shares common living areas with two or three other individuals. Yearly incomes of clients do not exceed 30% of the Austin area's median family income (MFI - currently \$14,950 per year for a one-person household). Monthly rents are based on a sliding scale not exceeding 30% of the client's monthly income.

Clients typically participate in the transitional program for three to 18 months during which time they are provided *critical supportive services that are designed to enable them to achieve greater levels of independence and self-sufficiency*. CPH receives funding from the Veteran's Administration that is instrumental in the operation of the program that includes funds for supportive services as well as rent subsidies.

The project is proposed under the RHDA Program that provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. Estimated sources and uses of funds for the project are indicated in Attachment 1.

Performance measures associated with the project are as follows:

1. Rehabilitate four units of transitional rental housing for homeless veterans with yearly incomes of no more than 30 percent of the Austin area's MFI. 2. Develop a minimum of one unit accessible for persons with mobility disabilities, and one unit accessible for persons with hearing and vision disabilities.

CPH is a non-profit 501(c)(3) organization certified by the City of Austin as a Community Housing Development Organization (CHDO). CPH was established in 1990 to provide transitional and affordable housing and services to low-income families and individuals who are either homeless or at risk of being homeless. Since 1990, CPH has provided an estimated 5,400 individuals and families with case management services, life skills training, single parent training and referral, education and employment training and referral, and legal and health care services.

The requested funding is available in the Fiscal Year 2005-2006 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.

Attachment 1:

Sources:

RHDA funds	\$ 123,163
Owner equity	<u>426,064</u>
Total	\$ 549,227

Uses:

Property	\$ 426,064
Construction	121,163
Soft costs	<u>2,000</u>
Total	\$ 549,227